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by deleting all language after the enacting clause and by substituting instead the following:

Section 1. Title.

This chapter may be known and cited as the "Municipal Property Owners' Improvement District Law".

Section 2. Legislative intent.

It is the intent and purpose of this chapter to authorize the formation of improvement districts by the unanimous approval of the owners of real property located in the territory to be included in the district, provided that all the real property to be located in the district is owned by twenty-five (25) or fewer persons.

Section 3. Definitions.

As used in this chapter, unless the context otherwise requires:

- (1) "Board" means any board of commissioners appointed pursuant to this subchapter;
- (2) "Clerk" means the clerk or recorder of a municipality;
- (3) "District" means any improvement district formed under the provisions of this chapter;
- (4) "Facilities" means any properties, real, personal, or mixed, tangible or intangible;
- (5) "Governing body" means any city council, town council, board of directors, or like body having legislative powers for any municipality;
- (6) "Improvement" or "improvements" means any lands, structures, improvements, fixtures, and appurtenant equipment acquired, constructed, improved, or equipped by a district;
- (7) "Municipality" means any city, incorporated town of the State of Tennessee, or consolidated metropolitan government established pursuant to Article XI, § 9, of the Tennessee Constitution;

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(8) "Nearby municipality" means any municipality located within ten (10) miles of any boundary of a district;

(9) "Person" means an individual, corporation, partnership, association, firm, or other entity recognized by law as having capacity to own real property in the State of Tennessee;

(10) "Real property" shall be construed to embrace all property subject to assessment for the purposes of this chapter.

Section 4. Construction.

The provisions of this chapter shall be liberally construed to accomplish the purposes of this chapter, and this chapter shall be the sole authority necessary to accomplish its purposes. To this end, it shall not be necessary to comply with the requirements of other laws including, without limitation, those pertaining to notice, consent, and like requirements in acting pursuant to this chapter to accomplish its purposes.

Section 5. Petition to form district.

(a) Upon the petition of all the owners of the record title as reflected by the deed records in the office of the Register of the pertinent county, all the real property of which territory is owned by twenty-five (25) or fewer persons, it shall be the duty of the governing body to:

(1) Lay off into an improvement district the territory described in the petition for the purpose of purchasing, accepting as a gift, constructing, or maintaining facilities for waterworks, recreation, drainage, gas pipelines, underground trenches and excavations necessary for the installation by public utilities or municipal utilities of electric and telephone distribution systems, sanitary sewers, streets and highways including curbs and gutters, and sidewalks, together with facilities related to any of the foregoing, or for more than one (1) of those purposes; and

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(2) Name as commissioners of the district the three (3) individuals whose names appear in the petition if the petition contains those names and, if not, then three (3) individuals of integrity and good business ability.

(b) All the districts shall be numbered consecutively and shall receive names selected by the governing body. If the governing body does not act promptly in complying with the terms of this section, or of any other section of this chapter essential to the creation and operation of the district, it may be compelled to do so by mandamus.

(c) Any number of petitions may be circulated, and identical petitions with additional names may be filed at any time until the governing body acts.

(d) The formation and creation of such districts is authorized, in whole or in part, outside any municipality.

(e) In the event that lands to be included in a district lie in more than one (1) municipality:

(1) The municipality in which lies the largest portion of the lands, exclusive of lands which do not lie in any municipality, shall have jurisdiction to create such district and to conduct all other municipal proceedings relating thereto and to the business and affairs thereof, which municipality is referred to hereinbelow as the "creating municipality".

(2) No portion of a municipality shall be included in such district unless it shall be found by the creating municipality that the owners of real property lying within such municipality and within the district shall have petitioned for creation of such district.

(3) Notice of the filing of the petition for creation of such district shall be given by first class mail to the mayor of each such municipality by the clerk of the creating municipality, and each such municipality may, at any time within fifteen (15) days after the deposit of such notice

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in the mails, unless such notice shall be waived by resolution of the governing body of such municipality, file with the clerk or recorder of the creating municipality a certified copy of a resolution of its governing body finding that the proposed improvements do not harmonize with the community facilities plans of such municipality or would diminish vehicular or pedestrian traffic in such municipality.

(4) In the event of the filing of the resolution described in subdivision (3) of this section, the governing body of the creating municipality shall reject the petition for creation of such district.

Section 6. Hearing on petition and determination.

(a)(1) Upon the filing of the petition with the clerk, it shall be the duty of the clerk to present the petition to the mayor.

(2) The mayor shall thereupon set a date and time, not later than fifteen (15) days after the date of the presentation of the petition to the mayor, for a hearing before the governing body for consideration of the petition.

(b)(1) At the hearing, it shall be the duty of the governing body to hear the petition and to ascertain whether those signing the petition constitute all the owners of the real property to be located in the district.

(2)(A) If the governing body determines that all the owners of the real property to be located in the district have petitioned for the improvements, it shall then be its duty by ordinance to establish and lay off the district as defined in the petition and to appoint the commissioners named in the petition if commissioners are named in the petition.

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(B) The petition shall state the specific purposes for which the district is to be formed, and the ordinance establishing the district shall give it a name which shall be descriptive of the purpose. It shall also receive a number to prevent its being confused with other districts for similar purposes.

(c) The ordinance establishing the district shall be published within thirty (30) days after its adoption by one (1) insertion in some newspaper of general circulation in the municipality in which the district lies.

(d) The findings of the governing body shall be conclusive unless attacked by a suit in the chancery court of the county in which the municipality is located, which suit brought within thirty (30) days after the publication.

Section 7. Board of commissioners generally.

(a)(1)(A) Within thirty (30) days after their appointment, the members of a board of commissioners shall take and file their oath of office with the county Register of Deeds for the county in which the District is located (if the District is located in two or more counties, in the county of largest residence), in which they shall swear to support the Constitution of the United States and the Constitution of the State of Tennessee, to discharge faithfully their duties as commissioners, and to not be interested, directly or indirectly, in any contract let by the board except upon the approval of all the owners of real property located in the district.

(B) Any commissioner failing to file this oath within this period shall be deemed to have declined the office and the governing body shall appoint some property holder as his successor, who shall qualify in like manner within a like time.

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(2)(A) In case of a vacancy on the board, after the members have organized, the remaining commissioners shall select the successor.

(B) The person so selected shall qualify by taking the oath of office as prescribed for the original commissioners.

(b)(1)(A) The board shall organize by electing one (1) of its members chairman and another as secretary.

(B) The board may also employ such agents, servants, engineers, and attorneys as it deems best and fix their compensation and the compensation of the secretary.

(2) The board shall also select some solvent bank or trust company as the depository of its funds.

(c) In addition to and not by way of limitation of the above powers, the board shall have the power to:

(1) Make and execute all contracts, leases, conveyances, and other instruments of the district;

(2) Join with any other political subdivision, municipality, district or government agency, either state or federal, in the acquisition, construction, maintenance, operation, and financing of any of the facilities, works, or operations authorized by this chapter or as to the performance of any of its functions;

(3) Establish rules and regulations for the transaction of the district's business and for the services, use, and right to use of its facilities or services, or both, or to effectuate any purpose of this chapter;

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(4) Do all things incidental or auxiliary to the exercise of the express powers granted by this chapter; and

(5) Perform all actions useful to carry out the purposes of this chapter, unlimited by any express provision of this section.

(d) No member of the board shall be liable for any damages unless it shall be made to appear that he or she acted with a corrupt and malicious intent.

Section 8. Removal of board members.

(a) When the owners of two-thirds (2/3) in assessed value of the real property located within any district shall sign a petition stating that the petitioners believe it to be in the best interest of the district that the board, or any member thereof, be removed and shall file the petition with the governing body, the governing body shall set a date for a hearing on the petition and shall give notice of the hearing by one (1) publication in a newspaper of general circulation in the district at least ten (10) days before the date of the hearing.

(b)(1) The purpose of the hearing shall be to determine the sufficiency of the petition.

(2) Any property owners of the district may appear and present evidence either in support of or against the sufficiency of the petition.

(c) If, after hearing, based upon the evidence presented, the governing body shall determine that the petition is signed by at least two-thirds (2/3) in assessed value of the real property owners in the district, the governing body shall immediately adopt a resolution removing the member of the board in accordance with the petition and appoint a successor to fill the vacancy created by his removal.

Section 9. Planning by board.

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(a) The board shall form plans relative to the acceptance, purchase, or construction of the improvement.

(b) To that end, the board may employ such engineers, attorneys, and other assistants as it may find necessary and shall file copies of all pertinent reports and actions of the board with the clerk.

Section 10. Powers of districts generally.

(a) Any district, in furtherance of any of the purposes set forth in Section 5, shall have the authority to hire managers and other employees and to pay their salaries to the operation and maintenance of any of the improvements authorized by this chapter. It shall also have the authority to acquire and purchase equipment and machinery incident to the operation and maintenance of these improvements and shall be further authorized to do any and all other acts which shall be deemed necessary in order to purchase, construct, accept as a gift, operate, and maintain any and all improvements authorized by this chapter.

(b) Any district shall have the power to sell, lease, or dedicate any improvements owned by it to any nearby municipality or district or other improvement district within the nearby municipality serving on behalf of the property owners of the district or to any other person. The district may make contracts with any person, or it may operate any improvement and may connect any improvement with the improvements, systems, and transmission lines of any nearby municipality or other district or improvement district and, with respect to sewers, may carry its sewers to any proper outlet within or without the district.

(c) Any district may accept as a gift any or all of the improvements and facilities authorized in this chapter upon the assumption of the maintenance and operation of the

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improvements and shall have the authority to assess and collect benefits as provided in this chapter, in order to provide the revenue for the costs of the maintenance and operation.

Section 11. Corporate powers.

Each district shall be a body corporate with power to sue and to be sued on its contracts, and it shall have a corporate seal.

Section 12. Right of eminent domain.

(a)(1) Subject to the approval of the governing body, all districts organized under this chapter shall have the right of eminent domain in order that they may carry out the purposes of their creation.

(2) This right shall be exercised in the same manner as in the case of railroad, telegraph, and telephone companies, but without the necessity of making a deposit of money before entering into possession of the property condemned.

(b)(1) Subject to the approval of the governing body, any district shall have the power of eminent domain for the purposes of:

(A) Condemning any water or sewer utility found within the boundaries of the district.

(B) Securing any lands or rights-of-way needed in making improvements to water or sewer systems owned and operated by that district.

(2)(A) The board of the district shall have the power to enter upon any private property for the purposes stated in subdivision (b)(1) of this section. If the person is damaged and the board cannot agree on the sum to be paid for the damages, the person aggrieved may file his petition in the circuit court of the county setting forth his grievance and asking compensation therefor, making the board a party defendant. The issues in the suit shall be made up as in

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other cases at law, and the cause shall be tried by a jury, unless dispensed with by the parties. The case shall be advanced on the docket so as to have precedence over all other causes. The judge of the circuit court may hold a special term at any time for the trial of the cause, giving ten (10) days' notice to the parties of the time of holding the special term. This notice may be in writing and shall be served on the parties as a writ of summons is directed to be served unless the notice is waived by the parties, or one of them.

(B) In case an agreement cannot be arrived at between the board of improvement and the owner of the property in relation to the damages claimed, the judge of the court, in vacation, may fix an amount to be deposited with some person, to be designated by the court, before the entering upon and taking possession of the property to be used and taken as provided in this section. Upon the amount required being deposited and certificate thereof filed in the cause, the work may proceed.

(C) If the District is located in two or more municipalities, the District shall seek the approval of the governing body of the municipality of largest residence.

Section 13. Sale of land.

Any property that may be acquired by any district organized under this chapter may be sold by the board of the district for the price and on the terms it deems best.

Section 14. Priority of cases.

(a) All cases involving the validity of districts or the assessment of benefits and all suits to foreclose the lien or assessments shall be deemed matters of public interest and shall be advanced and disposed of at the earliest possible moment.

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(b) All appeals therefrom must be taken and perfected within thirty (30) days after the order or decree.

Section 15. Assessment of benefits and damages.

(a)(1) In the event that the board shall have voted to accept any offer of gift, shall have voted to purchase any improvement, or shall have voted to construct any improvement, it shall thereupon appoint an assessor to assess the benefits which will accrue to the real property; within the district from the acceptance of the gift of improvement, the purchase of the improvement, or the construction of the improvement.

(2) The assessor shall truly, fairly and impartially assess all benefits and damages that will accrue to the landowners of the district by reason of the acceptance, purchase, or construction of the proposed improvement. He shall thereupon proceed to assess the lands within the district.

(b)(1) The assessor shall inscribe in a book each tract of land and shall place in one column his valuation of each tract or parcel of land prior to the improvement, which may be marked "Assessed Value of Lands Prior to Improvements," and in another column he shall place what he thinks will be the value of each tract or parcel of land after the improvement, which may be marked "Assessed Value of Lands After Improvement."

(2)(A)(i) If the assessed value of land after improvements is greater than the assessed value of land before improvements, as assessed by the assessor for the District, then the difference between the two shall be the assessed benefits that will accrue to each tract by reason of the improvement.

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(ii) If the assessed value of land, as assessed by the assessor of the District, after the improvement is acquired or made is less than the assessed value of land before improvements are acquired or made, as assessed by the assessor for the District, then the difference between the two shall be the assessed damages that will accrue to the particular parcel or tract of land by reason of the improvement.

(B) The assessor shall enter the assessment of benefits or damages opposite the description of each piece of property in appropriate columns, one of which may be marked "Assessed Benefits" and the other may be marked "Assessed Damages," and in another column the assessor shall show the estimate of the probable cost to the landowner, which may be marked "Estimated Cost."

(c)(1) The assessment shall embrace not merely the lands, but all railroads, tramroads, telegraph lines, telephone lines, pipelines, and other improvements on real estate that will be benefited by the acquiring or making of the improvement.

(2) No assessment shall apply against any pipelines or other improvements which are extensions of or connected to the pipeline distribution system or other improvements within any city adjacent to the district.

(d)(1) The assessor shall place opposite each tract the name of the supposed owner as indicated by the deed records, but a mistake in name shall not vitiate the assessment.

(2)(A) The assessor shall also assess the damages that will accrue to any landowner by reason of the proposed improvement, including all injury to lands taken or damaged.

(B) Where the assessor returns no such damages to any tract of land, it shall be deemed a finding by him that no damages will be sustained.

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(e) The assessor shall hold his office at the pleasure of the board, which can fill any vacancy in the position of assessor.

(f) Provided, however, all assessments set forth herein shall be submitted to and shall be reviewed and approved by the local County Tax Assessor before becoming effective for any purposes.

Section 16. Filing and notice of assessment - Hearing.

(a)(1) The assessment shall be filed with the clerk.

(2)(A) The secretary of the board shall thereupon give notice of its filing by two (2) publications in a newspaper having a general circulation in the municipality in which the district lies, with the first publication to be not fewer than seven (7) days prior to the date set for the hearing.

(B) This notice may be in the following form:

"Notice is hereby given that the assessment of benefits and damages of ____ District Number ____ has been filed in the office of the City Clerk of ____, where it is open to inspection. All persons wishing to be heard on the assessment will be heard by the

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commissioners and the assessor of the District between the hours of 10 a.m. and 4 p.m., at
_____ in the City of _____, Tennessee, on the ____ day of _____, 199__.

Secretary"

(b) On the day named in the notice, it shall be the duty of the commissioners and assessor as a board of equalization to meet together at the place named to hear all complaints against the assessment, and to equalize and adjust them. Their determination shall be final, unless suit is brought in the chancery court in which the municipality is located within thirty (30) days to review it.

Section 17. Reassessment.

(a) The board may, not more often than once a year, require the assessor to reassess the benefits in the district as approved by the assessor. However, in the event that the district shall have incurred any indebtedness or issued bonds, the total amount of assessed benefits shall never be diminished.

(b) The reassessment shall be made, advertised, and equalized in the same manner as provided in this chapter for making the original assessment.

Section 18. Assessment upon lands of benefited owners.

(a)(1) The board of the district shall, at the same time that the assessment of benefits is equalized or at any time thereafter, enter upon its records an order which shall have all the force of a judgment, providing that there shall be assessed upon the real property of the district an assessment sufficient to pay the estimated cost of the improvement, with ten percent (10%) added for unforeseen contingencies.

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(2) The assessment is to be paid by the real property in the district in the proportion to the amount of the assessment of benefits thereon and is to be paid in annual installments, as provided in the order.

(b) The assessment so levied shall be a lien upon all the real property in the district from the time it is levied, shall be entitled to preference over all demands, executions, encumbrances, or liens whenever created, and shall continue until such assessment, with any penalty costs that may accrue thereon, shall have been paid. Provided, however, with the prior written approval of the board of the district, the county Trustee shall release from the lien of the assessment any lot, block, or tract with respect to which the assessment shall have been paid or prepaid.

(c)(1) The remedy against the levy of assessments shall be by suit in chancery.

(2) The suit must be brought within thirty (30) days from the time of notice that the levy was made, and on the appeal, the presumption shall be in favor of the legality of the assessment.

(d)(1) The board shall, promptly after entry of an order levying the assessment, publish once a week for two (2) consecutive weeks in some newspaper having general circulation in the district, a notice setting forth the order of levy and warning all persons affected thereby that it shall become final unless suit is brought to contest it within thirty (30) days of the date of first publication of the notice.

(2) No property owner shall be barred from contest of the levy within the thirty-day publication period.

Section 19. Interest on assessment.

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The assessment of the benefits shall bear interest at a rate equal to the lesser of the maximum rate permitted by law or the rate of ten percent (10%) per annum from the time it is equalized, but the interest need not be calculated until it is necessary to do so to avoid exceeding the total amount of benefits and interest, or the interest may be first collected.

Section 20. Extension and collection of assessments.

(a)(1) When the board shall make the levy of assessments, it shall be the duty of the assessor to extend the amount levied and set it opposite each benefit assessed in a column marked "Annual Collection."

(2)(A) It shall be the duty of the County Trustee to extend the assessments annually upon the tax and assessment books of the county until the levy is exhausted.

(B) For his services, the Trustee shall receive a commission of one and one-half percent (1½%) of the amount so extended.

(b)(1)(A) It shall then be the duty of the tax collector of the county to collect each year the assessments extended upon the tax and assessment books along with taxes until the entire levy is exhausted.

(B) For his services in making the collections, the collector shall receive a commission of one and one-half percent (1½%).

(c)(1) County Trustees and assessment collectors are authorized to employ additional deputies to do the increased work imposed by the terms of this chapter.

(2) They may pay the deputies salaries up to the sum of five thousand dollars (\$5,000) per annum. However, the salaries shall never exceed the receipts from the commissions allowed by this chapter.

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(d) No property owner shall be required to pay the improvement assessments provided in this chapter as a prerequisite to paying his general taxes.

Section 21. Subsequent assessment levies.

(a) If the first assessment levied shall prove insufficient to pay the bonds, both the principle and interest, issued by the board on account of an improvement as provided in the chapter, as it shall become due and payable, the board shall, from time to time, make such further levies upon the property previously assessed for sums sufficient to complete the improvement and to pay such bonds and interest which shall be extended and collected in the same manner as the first levy. However, the total levy shall in no case exceed the value of the benefits assessed on the property with interest.

(b) The performance of the duties set forth in this section may be enforced by mandamus.

Section 22. Payment of assessments - Enforcement.

(a) PAYMENT. All assessments levied under the terms of this chapter shall be payable in installments at the same time as municipality taxes are paid.

(b) DELINQUENCIES. (1) If any assessments levied by the board under this chapter are not paid at maturity, the county tax collector shall not embrace the taxes in the taxes for which he shall sell the lands, but shall report the delinquencies to the board of the district, which shall add to the amount of the tax a penalty of twenty-five percent (25%).

(2) The board shall enforce the collection by chancery proceedings in the chancery court of the county in which the lands are situated having chancery jurisdiction. The court shall give judgment against the lands for the amount of the delinquent taxes, and the penalty of twenty-

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five percent (25%) and interest thereon, from the end of the sixty (60) days allowed for the collection thereof, at the rate of six percent (6%) per annum, and all costs of the proceedings.

(3) The judgments shall provide for the sale of the delinquent lands-for-cash through the Chancery Court after advertisement as set out in subsection (c) of this section.

(4) Proceedings and judgment shall be in the nature of proceedings in rem.

(5)(A) It shall be immaterial that the ownership of the lands be incorrectly alleged in the proceedings.

(B) Judgment shall be enforced wholly against the lands and not against any other property or estate of the defendant.

(6) All or any part of the delinquent lands for each of the counties may be included in one (1) suit for each county, instituted for the collection of the delinquent taxes, etc., as aforesaid.

(c) NOTICE OF PROCEEDINGS FOR COLLECTION OF TAXES. Notice of the pendency of the suit shall be given by publication weekly for four (4) weeks before judgment is entered for the sale of the lands in some newspaper published in the county where the suits may be pending, which public notice may be in the following terms: "Board of Commissioners, Municipal Property Owners' Improvement District vs. Delinquent Lands.

All persons having or claiming an interest in any of the following described lands, are hereby notified that suit is pending in the Chancery Court of _____ County, Tennessee, to enforce the collection of certain municipal property owners' improvement district taxes on the subjoined list of lands, each supposed owner having been set opposite his or her or its lands, together with the amounts severally due from each, to wit:....."

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(Then shall follow a list of supposed owners, with a descriptive list of said delinquent lands, and amounts due thereon respectively as aforesaid), and said public notice may conclude in the following form:

"All persons and corporations interested in said lands are hereby notified that they are required by law to appear within four (4) weeks and make defense to said suit, or the same will be taken for confessed, and final judgment will be entered directing the sale of said lands for the purpose of collecting said taxes, together with the payment of interest, penalty, and costs allowed by law.

Clerk of Said Court."

(d) TRIAL DATE - SUIT By BONDHOLDER.

(1)(A) The suit shall stand for trial at the first term of court after the complaint may be filed, if four (4) weeks shall expire either before the first day of the term, or during the term of court to which the suits are brought respectively, unless a continuance is granted for good cause shown, within the discretion of the court.

(B) The continuance, for good cause shown, may be granted as to a part of the lands or defendants without affecting the duty of the court to dispose finally of the others as to whom no continuance may be granted.

(2) In case the commissioners shall fail to commence suit within sixty (60) days after the taxes become delinquent, the holder of any bond issued by the district or any trustee on behalf of the holder of any bond issued by the district shall have the right to bring suit for the collection of the delinquent assessments, and the proceedings in the suit brought by the bondholder or

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trustee shall in all respects be governed by the provisions applicable to suits by the commissioners.

(e) TRIAL PROCEDURE.

(1) Suits for collection shall be conducted in the name of the municipal property owners' improvement district, and in accordance with the practice and proceedings of chancery courts in this state, except as otherwise provided in this chapter.

(2) The suits may be disposed of on oral testimony, as in ordinary suits at law.

(3) This law shall be liberally construed to give to the assessment lists the effect of bona fide mortgage for a valuable consideration, and a first lien upon the lands, as against all persons having an interest therein.

(4) In such suits, it shall be sufficient to allege generally and briefly the organization of the district and the nonpayment of the taxes, setting forth the description of the lands proceeded against, and the amount chargeable to each tract, with prayer for foreclosure.

(5) No informality or irregularity in holding any of the meetings provided for herein, in valuation, in assessment of the lands, or in the name of the owners, or the number of acres therein shall be a valid defense to the action.

(f) SALE OF LAND.

(1)(A) In all cases where notice has been properly given and where no answer has been filed or, if filed, and the cause decided for the plaintiff, the court, by its decree, shall grant the relief as prayed for in the complaint.

(B)(i) The court shall direct the commissioner to sell the lands described in the complaint at the courthouse door of the county wherein the decree is entered, at public outcry, to the

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highest and best bidder, for cash in hand, after having first advertised the sale weekly for two (2) weeks, consecutively, in some newspaper having a general circulation in the county. (ii) The advertisement may include all the lands described in the decree.

(2) If all the lands are not sold on the day as advertised, the sale shall continue from day to day until completed.

(3) The commissioner shall by proper deeds convey to the purchaser the lands so sold. The title to the lands shall thereupon become vested in the purchaser as against all others whomsoever.

(g)(1) In any case where the lands are offered for sale by the commissioner, as provided by this subchapter, and the sum of the delinquent tax due, together with interest, cost, and penalty, is not bid for the lands, the commissioner shall bid the lands off in the name of the board of directors of the municipal property owners' improvement district, bidding therefor the whole amount due as aforesaid.

(2)(A) The commissioner shall execute his deed conveying the land to the municipal property owners' improvement board.

(B) No report of sale other than the execution of the deed and its submission to the court for approval and no confirmation other than approval of the deed need be made in any such case, and a deed to the land executed by the commissioner, approved by the court and recorded, shall be conclusively presumed to be in consideration of the total amount rightfully due to the district whether that amount is stated or whether it is stated correctly or incorrectly in the deed.

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(3) The deeds, together with other deeds as are duly executed in conformity to the provisions of this subchapter and recorded, shall be received as evidence in all cases showing an indefeasible title in the district, unassailable in either law or equity.

(h)(A) No provision contained herein shall relieve any purchasers of lands, excluding the district, from the obligation to pay all future taxes levied under the terms of this chapter following the enforcement of these foreclosure procedures.

(B) The obligation to pay all future taxes shall also extend to any purchaser of lands who purchases such lands from the district following the district's obtaining of the land pursuant to subsection (g) of this section.

(i) ATTORNEY'S FEES.

In all suits brought for collection of delinquent taxes under this subchapter, a reasonable attorney's fee shall be taxed in favor of the attorney for the plaintiff, which fee shall be added to the amount of the cost.

(j) REDEMPTION.

(1) At any time within thirty (30) days after the rendition of the Final decree of the chancery court provided for in this subchapter, the owner of the lands may file his petition in the court rendering the decree, alleging the payment of taxes on the land for the year for which they were sold and payment of all costs associated with the enforcement of the provisions of this chapter, including attorney's fees.

(2) Upon the establishment of that fact, the court shall vacate and set aside that decree, provided that any landowner shall have the right within thirty (30) days after the day upon which lands are offered for sale to redeem any and all lands sold at the sale.

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Section 23. Negotiable notes, bonds, or evidence of debt.

(a)(1) In order to meet preliminary expenses and to finance the cost of the improvements to be accomplished, with costs incidental to them and to the issuance of the bonds, the board may issue negotiable notes, bonds, refunding notes or refunding bonds as the case may be, of the district and may pledge all assessments of benefits to the district and all or any part of the profits of the district derived from its operation of any improvements of the district to the payment of such bonds.

(2) The board may also issue to the contractors who do the work evidences of debt bearing interest at the rate or rates prescribed by the board and secure them in the same manner.

(3) As for the security for the payment of any indebtedness, the members of the board may, by resolution, establish the rates for use of the improvements to be collected from the users of the improvements and may mortgage any or all of its property, including improvements.

(b)(1) Bonds issued under the authority of this chapter shall:

(A) Bear interest at such rate or rates which may be variable;

(B) Mature at such time or times;

(C) Be payable, as to principal, premium, if any, and interest, at such places, within or without the State of Tennessee;

(D) Be in such form, whether bearer or registered, negotiable or nonnegotiable;

(E) Be subject to such exchange privileges; and

(F) Have such other details as may be set forth in the resolution of the board authorizing their issuance.

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(2) The resolution may provide for the execution and delivery of a trust indenture or like instrument by the board securing the bonds and for the execution and delivery of other writings pertaining thereto.

(3) The bonds, and coupons, if any, may be executed by the manual or facsimile signatures of the members of the board.

(4) No bond or note authorized by this chapter may be issued until the resolution authorizing the issuance of bonds or notes, together with a statement as of the beginning of the then current fiscal year, which statement shall show in detail the total outstanding bonds, notes, warrants, refunding bonds, and other evidences of indebtedness of the development district, together with the maturity dates thereof, interest rates, special provisions for payment, the project to be funded by the bonds or notes, the current operating financial statement of the district and any other pertinent financial information, shall be submitted to the state director of local finance for review, and the state director of local finance may report thereon to the development district within fifteen (15) days from the date the plan is received by the state director of local finance and the state director of local finance shall immediately acknowledge receipt in writing of the proposed bond or note issue statement and information. The report thus received by the development district shall be published once in a newspaper of general circulation in the county of the principal office of the development district, and any other counties which it serves, during the week following its receipt. After receiving the report of the state director of local finance, and after publication of such report, or after the expiration of fifteen (15) days from the date the statement and information is received by the state director of local finance whichever date is earlier, the development district may take such action with

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reference to the proposed bond or note issue as it deems advisable. Such report of the state director of local finance shall also be made a part of the bond transcript.

(c) No provision of this section dealing with the review or approval of any bond or note issued by the state director of local finance, or other state agency, shall apply when the bond or bonds or other evidence of indebtedness of the development district are to be purchased or the loan is to be purchased or the loan is to be made by the Farmers Home Administration or any other direct lending department of the government of the United States.

(d) Prior to the issuance of any note, bond, or evidence of debt as authorized by this Act, it must receive an investment grade rating by nationally recognized rating agency before debt can be issued. Provided, however, if in using its best efforts the District is unable to obtain a review of said instrument by a nationally recognized rating agency, then said debt can be issued only upon approval by the Office Of The Comptroller Of The Treasury of the State of Tennessee.

Section 24. Tax exemption.

The bonds, and interest on them, shall be exempt from all state, county, and municipal taxes, including income, property, and inheritance taxes.

Section 25. Payment of bonds and interest.

(a)(1) All bonds issued under the terms of this chapter shall be secured by a lien on all real property in the district.

(2) The making of assessments, levies, and collections, as authorized by this chapter, may be enforced by mandamus.

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(b)(1)(A) If any bond, or interest thereon, is not paid within thirty (30) days after its maturity, it shall be the duty of the chancery court, on application of any holder of the bond or any interest coupon so overdue, to appoint a receiver to collect the taxes aforesaid and an assessor to reassess the benefits, if necessary.

(B) The proceeds of the taxes and collections shall be applied, after payment of costs, first to overdue interest, and then to payment pro rata of all bonds issued by the district which are then due and payable.

(2)(A) The receiver may be directed by suit to foreclose the lien of the taxes on the real property.

(B) The suits brought by the receiver shall be conducted in all matters as suits by the board as provided in this chapter and with like effect, and the decree and deeds therein shall have the same presumption in their favor.

(C) When all the sums have been paid, the receiver shall be discharged and the affairs of the district conducted by the board as provided in this chapter.

Section 26. Dissolution of district.

(a)(1) After all bonds or other evidences of indebtedness, plus all interest on them, shall have been paid in full, then a district may, by unanimous vote of the members of the board, be dissolved and all further levies and assessments canceled, the members of the board further duties, and the surplus funds of the district distributed in accordance with the procedures set forth in subsection (b) of this section.

(2) The districts are authorized, at the discretion of the respective boards, to enter into repair and maintenance agreements and to expend funds of the districts for these purposes.

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(b)(1) In the event that the board shall vote to dissolve a district under subsection (a) of this section, the board shall convert all assets into cash and shall first pay from the surplus funds all debts of the district, including any reasonable legal and other expenses incurred in connection with the dissolution.

(2)(A) The board shall then refund all remaining funds of the district pro rata to the property owners who hold title to the property in the district at the time the refund is made.

(B)(i) The pro rata refund to the property owners shall be made on the basis of the most recent assessment or reassessment of benefits on the parcel of property prior to dissolution and shall be in the same proportion that the assessed benefits of each individual parcel of property bears to the total of the assessed benefits of all the property in the district.

(ii) No property or owner whose property is delinquent in any sum for district assessments, penalties, or interest at the time the refund is made shall be counted in calculating the pro rata distribution or receive any portion of the refund.

(C) Within ninety (90) days after the distribution of surplus funds has been completed, the board shall file a copy of the resolution of dissolution and a financial statement of the district, verified by all members of the board, in the office of the clerk of the municipality in which the district was established.

Section 27. Lien for preliminary expenses.

If for any reason the improvement contemplated by any district organized under this chapter is not made, the preliminary expense shall be a first lien upon all the real property in the district and shall be paid by a levy of an assessment on it. The levy shall be made by the chancery court of the county and shall be collected by a receiver to be appointed by the court.

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Section 28. Continued existence of district.

If the petition for formation of the district provides therefor or the owners of real property in the district agree thereto, a district shall not cease to exist upon the acquiring, construction, or completion of the improvement, but it shall continue to exist for the purpose of preserving, maintaining, and operating the improvement, replacing equipment, paying salaries to employees, and performing any other functions or services authorized in this chapter. To this end, the board may, from time to time, make such additional levies based upon the assessment of benefits as may be necessary for such purposes. However, the amount of the total levies shall not exceed the assessed benefits and interest thereon.

Section 29. Improvement contractors.

As required by the Trustee on any bond sale and/or local subdivision regulations, all persons or companies involved in the construction of improvements within the District shall provide adequate completion bonds or there shall be adequate retainage to ensure that the improvements are delivered in a timely and workmanlike manner prior to the development plat being recorded and lots sold. The development plat may not be recorded if this is not complied with or until and unless all work has been completed and accepted by the local government and the Trustee.

Section 30. Severability.

The provisions of this law are hereby declared to be severable. If any of these sections, provisions, sentences, clauses, phrases or parts is held unconstitutional or void, the remainder of this ordinance shall continue in full force and effect.

Section 31. Effective date.

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This law shall take effect upon passage and signatures by the Governor, the public welfare requiring it.

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